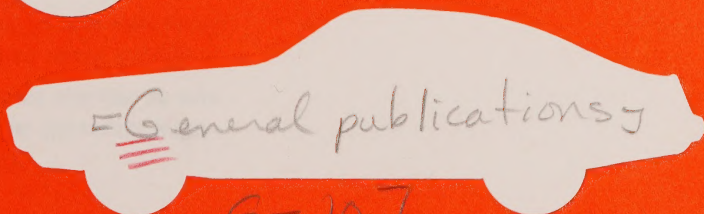
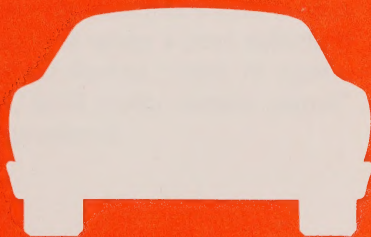
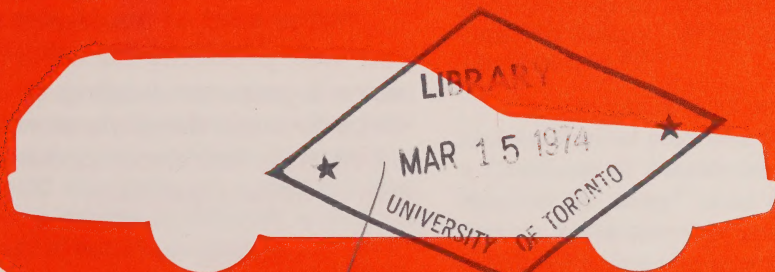


BUYING A CAR

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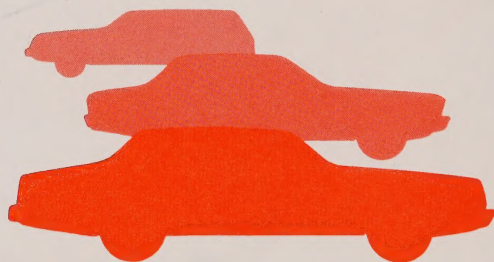
Ontario

Ministry of
Consumer and
Commercial
Relations

People buy cars for many reasons, but one thing they have in common is that no one wants a car purchase to turn into a source of disappointment and unexpected expense.

And so, the Motor Vehicle Dealer Section of the Ontario Ministry of Consumer and Commercial Relations, which registers motor vehicle dealers and salesmen in the Province, offers the following suggestions based on many years of experience gained in settling complaints and investigating activities.

If you follow these guides, you will probably be able to narrow your car-buying worries down to the time period when they are most productive — before you buy.



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"What can I do, before buying, to increase my chances of finding a good car at a reasonable price?"

Your choice of dealer can make a big difference in avoiding problems both during and after purchase. Therefore, take time to check out potential dealers carefully — talk to friends and associates who have personally done business with a dealer.

There are also good reasons to resist high pressure sales techniques. If you are not sure about the car or the price, don't let yourself be forced into it without doing some comparative shopping.

"Are there any special precautions to take when buying a used car?"

A careful examination of a used car *in the daylight* is a must. Check for excessive wear and body damage. You should also insist on a road test that allows driving at different speeds on roads of various conditions.

Don't let yourself be blinded by the reputation that a particular make or model of car has, either. Even a car that is well made when new can deteriorate mechanically over the years because of improper maintenance or downright neglect. Such a car could end up turning into a serious financial drain if repairs are constantly necessary.

Also, watch out for the following symptoms — they may mean trouble:

- steering that pulls the car to one side or the other (possible alignment problems).

- squealing brakes under normal operation (excessive wear or improper adjustment).
- blue smoke coming from tail pipe(s) (may mean costly engine repairs are required).
- lack of control during cornering at normal speeds or an excessively bouncy ride (possible steering linkage problems and/or worn-out shock absorbers).
- any other obvious defects such as engine knocking, lurching or hesitation, vibrating, shimmying, or malfunctioning controls, lights and signals.

"I've seen some cars advertised as 'without certification'. What does that mean?"

To help ensure that certain safety and mechanical problems do not exist, a *Certificate of Mechanical Fitness* is required for every* used car sold in Ontario. Make sure that you have this certificate *before* you sign anything.

* The only time that a certificate is not required is when a used vehicle is sold without licence plates. In such a case, an "unfit motor vehicle permit" must be produced.

Such vehicles, of course, cannot be driven — nor can licence plates be obtained — until a Certificate of Mechanical Fitness has been obtained from a certified mechanic. (Make sure he is the owner or licenced employee of a dealer or repair garage.)

Unless you have a firm estimate of the costs of repairing an “unfit” car from a certified mechanic of your choice, it is not recommended to buy an uncertified car with plans to have it brought up to a roadworthy standard.

“I’ve always heard that it is risky buying a car privately — what exactly should I watch out for?”

Unlike the registered dealer, a person making a private sale has neither a licence to lose or a business reputation to protect. Car buyers should therefore be especially careful when contemplating a private purchase.

In some cases, the private seller may be posing as a “front” for a dealer who doesn’t want to be responsible for selling the car. To guard against this, check the automobile’s registration with the Ontario Motor Vehicle Registration Branch, Parliament Buildings, Toronto. This will provide the identity of the previous owner — a phone call (if possible) may assist you in assessing condition and mileage.

“Everyone always tells you to read contracts carefully before you sign, but I don’t really understand all the legal terms that are on a contract when I do read it. Are there any special conditions or ‘fine print’ to watch for in an automobile contract?”

Even when a person takes the time to read all documents before signing them, this is of little help if he really doesn’t understand what he reads or is unable to differentiate between those conditions that are standard and accepted and those that may be unusual or unfair.

It will probably be helpful, therefore, to explain some of the things that you should look for before you sign a purchase order for a new or used car.

Offer to Purchase

The normal document that an automobile dealer asks you to sign to finalize a deal is actually an offer, on your part, to purchase whatever merchandise is described on the document, for the price that is set out. The dealer acknowledges his acceptance of your offer by signing the document as well, and not until both signatures are on the document does it become legally binding.

You should not pay a deposit unless you are sure you wish to complete the transaction. Your deposit may be forfeited if, after acceptance of the signed offer, you fail to take delivery.

You should pay particular attention that items such as guarantees, warranties and any repairs or changes which have been promised are put *in writing* on the purchase order. Make especially sure that any manufacturer warranties that are mentioned actually do apply in the particular circumstances and that any other guarantees are written down. It is unlawful for a contract to *exclude* warranties of fitness and merchantability.

"I'm hoping to get a good price for my trade-in, that has been maintained in good condition. What should I do?"

For many people, the trade-in will be an important part of the overall transaction, and it therefore makes good sense to be sure that you understand the dealer's terms completely.

If you are comparison shopping, remember that a lower purchase price for a car may be more than offset by a lower trade-in allowance — it's the difference that counts.

Even when the value of the trade-in is stated in the offer to purchase there may also be a term or condition in the contract that allows re-appraisal of the trade-in by the dealer at the time when it is delivered.

The decision as to when to hand over the trade-in is up to you, but keep in mind that once the dealer has the trade-in and signed vehicle permit in his possession, he is allowed to sell it.

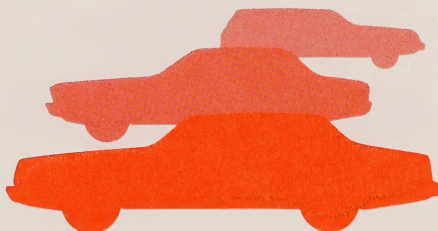
"If I arrange credit with the dealer, how do I know how much it is costing me and how long the payments last?"

Under the Consumer Protection Act, the dealer must disclose all credit finance charges on the face of the contract. This information should include the amount both in *dollars and cents* and in annual percentage rates. You should also insist on being shown the number of payments as well as the amount of each payment.

"Is there any part of the purchase agreement that allows for the transfer of my car insurance?"

No. If you're trading in a car that's insured, get your insurance agent to arrange a transfer so that you will be covered when you take possession.

If the car is financed through a dealer he may arrange for collision insurance only. Make sure that you are insured for public liability as well.



Purchase Order Check List

New Car:

Year

Make

Model

Body Style

Serial Number (if known)

Colour (exterior and interior)

Manufacturer's suggested retail list price of vehicle.

Manufacturer's suggested retail list price of each option (an option is defined as any piece of equipment which is not listed as standard equipment on the manufacturer's brochure).

Discount (if any).

Provincial vehicle licence.

Allowance for trade-in.

Difference between total list price and allowance and/or discount.

Provincial Sales Tax.

Total Balance.

Description of trade-in (including licence, serial, mileage and options).

Date of delivery (day, month, year).

Terms of payment (including interest rate and total cost).

Used Car:

Year

Make

Model

Body Style

Licence Number

Serial Number

Colour

Options (to include those options already on the vehicle and any additions to be installed by the dealer before delivery).

Mileage (on the speedometer at the time of the offer to purchase).

Date of delivery (day, month, year).

Dealer's warranty (if any) — (period, terms, etc.).

Manufacturer's warranty (balance, if applicable, and subject to confirmation and any fee charged for transfer of such warranty).

Work to be done before delivery.

Terms of payment (including interest rates and total cost).

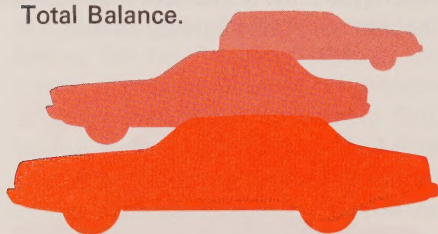
Dealer's price.

Trade-in allowance.

Cost of transferring licence.

Amount of Provincial Sales Tax.

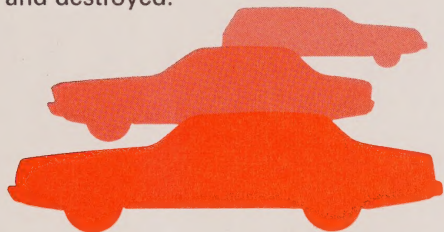
Terms of payment (including interest rate and total cost).



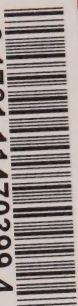
"If something does seem unfair about the deal, who can I turn to for help?"

For further information, contact the Registrar of Motor Vehicle Dealers of the Ontario Ministry of Consumer and Commercial Relations, 555 Yonge Street, Toronto, Ontario.

Remember: Don't start shopping for a car unless you are seriously interested in buying. Never buy beyond your ability to pay and never enter into a contract if you have already signed one unless the first has been cancelled and destroyed.



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**CONSUMER
Buy-Line**

Ministry of Consumer and Commercial Relations